

Why mandatory disclosures matter for Indonesia

Case Study
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MELIANA
LUMBANTORUAN

PWYP
INDONESIA



CONTEXT

The global transparency wave has reached Indonesia. Initiatives such as the Extractive Industries Transparency Initiative (EITI) are bringing more transparency to Indonesia and the mandatory disclosures laws of the EU have led to more data on extractive activities in Indonesia becoming available. But the oil, mining and gas industries are still among the most corrupt sectors and accessing relevant data on the amount of production, marketing, shipment and payment of taxes and other company financial liabilities is difficult.

In Indonesia, ranked 90th out of 176 in Transparency International's Corruption Perception Index 2016, the data from the three EITI reports published so far (between 2009 and 2013) is incomplete and out of date. Disclosing data will therefore not be enough to ensure accountability. The data also needs to be used in a meaningful way by a range of stakeholders, including civil society.

Using the disclosure of companies' "payments to governments" data, gave an entry point to begin comparing the payments recorded by the parent company (listed on EU markets) with those received by the host country's government, in this case the Indonesian government.

PROJECT ACTIVITIES

This project used companies' mandatory disclosure from 2014 and 2015, published by companies listed on EU and Norwegian stock exchanges. Through that we found that at least seven of these companies operate in Indonesia, i.e. Royal Dutch Shell, British Petroleum (BP), BHP Billiton, Premier Oil, TOTAL Oil, the Jardine Matheson / PT. Astra International Tbk. Their reports were used to find how much was paid by them in 2014 and 2015. Beyond payments data, we also looked at what other kind of information related to the extractive sector are difficult to get in Indonesia.

Table 1
The total value of payments disclosure by seven EU companies to Indonesia's government (2014-2015)

COMPANY NAME	VALUE OF YEAR (USD)	
	2014	2015
Statoil	5,158,730	(8,101,737)
TOTAL	-	1,260,414,000
BP	-	885,800,000
Royal Dutch Shell	-	1,000,000
Premier Oil	-	90,205,000
BHP Billiton	-	1,200,000
Jardine Matheson/ PT. Astra International Tbk	-	158,325,902

Sources: Various EU Company Mandatory Disclosure (processed)

Table 2
Total Value of Payment
by Type of Payment by
seven EU companies to
Indonesia's government
(2014-2015)

TYPE OF PAYMENT	VALUE OF YEAR (USD)	
	2014	2015
Production entitlements	-	2,359,385,895
Taxes levied on the income, production or profits of companies	4,857,143	1,446,185,895
Signature, discovery and production bonuses	-	1,004,963
License fees, rental fees, entry fees, and other considerations for licenses and/or concessions	301,587	913,677,690
Royalties	-	908,117,925
Income Tax	-	34,616,000

Sources: Various EU Company Mandatory Disclosure (processed)

The majority of the data used in this project was obtained in PDF format meaning that collecting that data was difficult. Several open data tools had to be used, including Google Scraper¹, Tabula² and Abby FineReader.³ Piktochart⁴ was used to visualise the information and Tableau⁵ to create a more interactive and comprehensive visualisation, particularly the map. This helped show the public which companies have reported their payment to Indonesia's government under EU law, where their operations and specific projects are located, what kinds of payment have been disclosed, what their value is and where it has gone.

We found that some companies also have published specific information about their group interests and what their country of incorporation is. Some of them even disclosed their units of production on a country-by-country level.

Example

EU Company Disclosure
Data: Payment Project
by Project Level to
Indonesia's Government
(2014 - 2015).⁸

The map shows the
locations of the seven
companies. Clicking on
a specific bullet will
show more details.



The next steps of this project include inputting this data into a database and make it public, embedding it into PWYP Indonesia's open data extractive website⁶ so that the information is easily accessible. Furthermore, PWYP Indonesia will update this database every year. The data will also be added to PWYP Indonesia's Android application, "Open Mining", available at Google Play store.⁷

PROJECT IMPACT & CONCLUSION

This project started off with the aim to compare the companies' data with that of the Indonesian government. An initial formal request to the relevant agencies in Indonesia to access specific data for oil and gas companies already disclosing the data under EU Directives payment was rejected. PWYP Indonesia were asked to wait until the fourth EITI Indonesia report published as

the information would be included in those. EITI Indonesia reports however only go up until 2013, while EU company disclosure data cover the years of 2014 and 2015.

There's no doubt that company disclosure data is very useful for PWYP Indonesia⁹ and to Indonesian people in general. EU Company disclosure data will be particularly useful for future validation process. For now, the result of this project has been a more informed public about the payments EU companies have made to the government. The next step will be to compile a dataset that will be used to complete the EITI reporting process. We look forward to seeing further data from EU companies (to date only companies from the UK and France have reported), as well as to seeing the first company reports arising from mandatory disclosure laws in Canada and the USA.

APPENDIX

1. **Google Scraper** <https://chrome.google.com/webstore/detail/web-scraper/jnhgnonknehpejjnehehllkplmbmhn>
2. **Tabula** <http://tabula.technology>
3. **Abbyy FineReader** <https://www.abbyy.com/en-apac/finereader>
4. **Piktochart** <https://piktochart.com>
5. **Tableau** <https://www.tableau.com/products/desktop>
6. **Open Data Extractives** <http://opendataextractive.com>
7. **Open Mining app** <https://play.google.com/store/apps/details?id=com.zan.android.pwyp&hl=en>
8. **EU Company Disclosure Data map** <https://public.tableau.com/profile/pwyp.indonesia#!/vizhome/EUCompanyDisclosureData/PaymentProjectMap>
9. **PWYP Indonesia** <http://pwyp-indonesia.org/en/109455/transparency-of-extractive-industries-toward-spatial-transparency>

This case study is part of Publish What You Pay's Data Extractors programme, a global initiative which trains PWYP members and activists from across our network to use extractives data.

This programme aims to create a network of activists who can in turn share their knowledge with local communities. Our goal is to enable citizens all over the world to ensure natural resources are managed for the benefit of society as a whole. The PWYP Data Extractors programme does this by:

Training - Data Extractors learn how to find data, analyse it and use it to ask questions of both governments and companies. The programme merges technical skills with activism through hands-on workshops, skills sharing and online learning opportunities

Connecting - The programme connects PWYP members from all over the world, facilitating collaboration, mentoring, peer learning and offers an exciting opportunity to create unique projects which are relevant to local concerns.

Uncovering - Data Extractors expose discrepancies in company and government reports and payments to expose corrupt practices the resource curse, and raise questions for further investigation.

Communicating - Data Extractors can use data to communicate with a variety of stakeholders and engage in decision-making processes that affect them, using evidence-based data.

Through their case studies, the PWYP Data Extractors use examples and data that is publicly available to hold governments and companies to account.

Thank you to the Omidyar Network for their generous contributions, which have helped make this programme happen. Thank you also to Open Oil, who have helped run the Data Extractors programme, for contributing their skills and expertise.

**WORK WITH US TO UNCOVER THE STORIES
HIDDEN BEHIND EXTRACTIVES DATA!**

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